

Minutes



Listening Learning Leading

OF A MEETING OF THE

Audit and Corporate Governance Committee

HELD AT 6.00PM ON 29 SEPTEMBER 2009

AT COUNCIL OFFICES, CROWMARSH GIFFORD

Present:

Mr P Greene (Chairman)

Mr D Bretherton (as substitute for Ms A Purse), Mrs M Davies, Mr P Harrison

Apologies:

Mr M Harris, Mr R Peasgood and Ms A Purse tendered apologies.

Officers:

Ms S Bayley, Ms L Birt, Mr S Bishop, Mr D Buckle, Mr G Bushell, Mr S Corrigan, Ms E Dolman Mr S Hewings, Mr W Jacobs, Mrs P O'Callaghan, Mrs A Partridge

Also present:

Mr I R Mann, Cabinet member for finance
Audit Commission – Mrs M Grindley, District Auditor, and Mrs A Ockleston, Audit Manager

13. Minutes 29 June 2009

RESOLVED: to approve the minutes of the meeting held on 29 June 2009 as a correct record and to agree that the Chairman sign them.

Mr S Bishop, Strategic Director, provided updates on the following issues in the minutes as follows:

Internal Audit annual report 2008/09 (Minute 7/06/09) - the two poor responses received on internal audit feedback related to an internal auditor who had resigned and was working out his notice. His motivation deteriorated in his final weeks which resulted in the negative feedback to audit.

Emergency planning 2008/09 (Minute 8/06/09)

The emergency stock and team sheet template had been completed and the implementation date for testing should be March 2010 rather than March 2009.

Disaster Recovery (Minute 8/06/09)

The disaster recovery test schedule had slipped due to the need to prioritise two major pieces of work. With the completion of these two projects ICT would undertake a test in October/November.

Dog control (Minute 8/06/09)

A project plan was not in place to address the non implementation of the actions in the dog control audit. The recommendations had not been addressed due to a lack of resources. If resources continued to delay implementation management team will prioritise the work alongside other corporate projects.

14. Internal audit activity report 2009/10 quarter 2

The committee considered the report of the audit manager, which summarised the outcomes of recent internal audit activity for the committee to consider.

Mrs A Partridge, Audit Manager, introduced the report stating that the reports for the committee's consideration were those with limited or nil assurances. Committee members had received copies of all other reports.

Council charges 2008/09

In response to questions the committee was advised that the council produced a list of charges which members of the public can access via the council's website. Heads of service consider the introduction of new charges. However, in certain circumstances the cost of collecting the charge outweighs the charge for the service. The current Fit for the Future reviews could produce further ideas for maximising charges.

Records Management

Mr G Bushell, Business Improvement Manager, reiterated the management response not to investigate the use of an automatic date stamping process for Freedom of Information requests because of the low risk associated with the proposal which could not justify the required allocation of resources.

Cornerstone - Couture

In response to questions Ms E Dolman, Arts Centre Director, and Ms L Birt, Operations Manager, confirmed that they had a good working relationship with Couture. Action 5 relating to cashing up and takings had been actioned and implemented and those actions showing a not agreed response from Couture had since been accepted.

15. Internal audit management report 2009/10 quarter 2

The committee considered the report of the Audit Manager that reported management issues, summarised the progress of the internal audit team against the 2009/10 audit plan up to 18 September 2009 and summarised the priorities and planned audit work for the remainder of quarter 3, 2009/10.

Mrs A Partridge, Audit Manager, introduced the report and highlighted the fact that the team was currently carrying a vacancy. In response to concerns that this reduction in staff resources could affect the output of the team Mrs Partridge advised that the planned audit work had been prioritised and reallocated to other members of the team in response to this. She confirmed that the committee would receive a draft money laundering policy at its December meeting.

Comment was made regarding the pressure placed on the internal audit team as a consequence of the additional payroll duties of the audit manager and the current vacancy.

The committee noted the report.

16. Strategic risk register update

The committee considered the report of the head of HR, IT and customer services that provided an opportunity for it to review the strategic risk register in accordance with the Risk Management Strategy.

In response to questions Mr D Buckle, Chief Executive, and Mr S Bishop, Strategic Director, provided the following explanation for the reduction in risk scores.

SSR003 – the lower risk reflected the implementation of legal agreements and mechanisms to deal with disputes.

SSR004 – the lower risk reflected the measures the council had introduced to encourage the local housing market.

RESOLVED: to

1. note the contents of the strategic risk register and agree that the council is managing strategic risks effectively.
2. note the future reporting timetable and the content and proposed frequency of reporting.

17. Local Government Ombudsman's annual review

The committee considered the Local Government Ombudsman's summary of information on complaints.

The committee noted that the council had failed to meet the target response time of 28 days but welcomed the reduction to 22.5 days this year and the assurance of the chief executive that his staff will take a firmer line with heads of service to achieve the target date.

18. Draft whistleblowing policy and the draft anti fraud and corruption policy with associated response plan

The committee considered the report of the head of legal and democratic services that invited the committee to comment upon the adequacy of the council's proposed arrangements in relation to whistleblowing and the anti fraud and corruption policy with its associated response plan.

The committee welcomed the documents which were clearly written and user friendly.

RESOLVED:

1. to approve the draft whistleblowing policy and the draft anti fraud and corruption policy with its associated response plan for consultation
2. to recommend Cabinet approves the policies and response plan once each document, as attached to the report of the head of legal and democratic services to the Audit and Corporate Governance meeting of 29 September 2009, has been subject to a six-week consultation with the staff of South Oxfordshire District Council and Vale of White Horse District Council.

19. Audit Commission's Annual Governance Report

The committee considered the Audit Commission's Annual Governance Report which summarised the findings from the 2008/09 audit.

Ms M Grindley, District Auditor, presented her report highlighting the improvements since last year in the completion of the financial accounts and advised that she will issue an unqualified opinion and had no concerns regarding the accounts. The council will also receive an unqualified value for money conclusion on the council's use of resources.

The committee welcomed the findings set out in the report and thanked Mr S Hewings, Chief Accountant, and his team for their hard work and commitment in producing the financial accounts.

20. Statement of accounts 2008/09 including the Annual Governance Statement

The committee considered the report of the head of finance, which provided the revised statement of accounts. Mr S Hewings advised the committee of an amendment to the statement of accounts to insert 230 in the final column and row of the table on page 56 of the document.

Having considered the recommendations and the adjustments as part of the previous report, a motion, moved and seconded to approve the officer's recommendation, was declared carried.

RESOLVED to approve the statement of accounts for 2008/09 as amended and that the Chairman sign them.

21. Exclusion of the Public

RESOLVED: to exclude members of the press and public from the meeting for the following item of business under Part 1 of Schedule 12A Section 100A(4) of the Local Government Act 1972 and as amended by the Local Government (Access to Information) (Variation) Order 2006 on the grounds that:

- (i) it involves the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Act, and
- (ii) the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

22. Update on financial systems

The committee considered the report of the strategic director that provided an update on the changes to the council's financial processes and systems since July 2006 when the financial services contractor, Capita, took responsibility for many of them.

Mr S Bishop, Strategic Director, noted that there had been criticism of Capita's performance and the adverse impact this had on the council's financial processes. However, whilst the weaknesses of performance and the implementation of new systems had been well documented it was important to acknowledge the strengths arising from the contract in addition to £400,000 annual savings in contract payments. Whilst the Agresso implementation was initially unsuccessful other systems were introduced successfully including Academy. Since 2006 the council's financial systems have, as a result of substantial investment by Capita, been upgraded providing greater resilience for the council in the future.

In terms of financial processes officers and Capita staff have been working to further improve services. By April next year the council would be performing in the top quartile in terms of the processing of benefits.

In response to a question concerning Capita's ability to deal with the increased benefit claims resulting from the economic downturn, Mr Mann, Cabinet member for finance, advised that extra government funding was available to deal with potential increases in benefit claimants.

RESOLVED: to note the current satisfactory state of financial processes and systems after the difficulties experienced over the last three years.

The meeting closed at 7.20pm.

Chairman

Date